

What the "One Big Beautiful Bill Act" Means for You (and your wallet)

On July 4th, while most of us were celebrating freedom with hot dogs and sparklers, Congress gave us a very different kind of gift: the *One Big Beautiful Bill Act* (yes, that's the real name). It's part tax reform, part paperwork relief, and part fiscal tightening—tied up in one gigantic legislative bow.

This bill makes many of the Trump-era Tax Cuts and Jobs Act (TCJA) provisions permanent and tosses in a few new goodies—along with some belt-tightening. Here's your quick rundown of what's changed, what to watch, and how to help your clients make the most of it.

The bottom line is, this bill locks in lower tax rates, boosts small business benefits, adds new exemptions (hello, no tax on tips!), and sprinkles in some spending cuts to try to pay for it all. But the details? That's where the CFO magic comes in.

What's in it for Individuals

Tax Brackets Made Permanent

The seven existing federal tax brackets are here to stay (10% to 37%). Bonus: extra inflation adjustments for everyone except the top bracket—so middle-income folks should see slightly lower tax bills year to year.

Bigger Standard Deductions

New and improved! In 2025, the standard deduction jumps to:

- \$31,500 (joint filers)
- \$23,625 (head of household)
- \$15,750 (single)

There's even a "bonus" deduction for older adults—finally, a reward for surviving adulthood.

Family Perks

- Child tax credit rises to \$2,200 per kid.
- A \$6,000 exemption boost for many low- and middle-income seniors.



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What's in It for Businesses

Small Biz Wins

- The 20% QBI deduction is now permanent. Time to exhale.
- The 1099-MISC threshold increases, which means less paperwork and fewer tax season headaches.

Capital Investment Party

Your clients can now fully expense:

- Domestic R&D
- New equipment and machinery
- New factories and improvements

This is a green light for growth—especially for businesses eyeing expansion or automation.

New Worker Tax Breaks

- Tips? Not taxable.
- Overtime? Not taxable.
- Interest on U.S.-made auto loans? You guessed it—not taxable.

Great news for employees. But for employers? Time to revisit compensation strategy.

Estate, SALT & Immigration-Related Updates

Estate Tax Exemption Boost

- The \$15 million estate and gift tax exclusion gets extended and indexed starting in 2027. Translation: get your clients' estate plans reviewed sooner than later.



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SALT Deduction Flexibility

- The cap gets a temporary lift—but there's a phaseout based on income. It's complicated, so keep that calculator handy.

Immigration Changes

- Undocumented immigrants can no longer claim premium tax credits starting in 2027.

Spending Cuts & Green Energy Rollbacks

 The bill slashes hundreds of billions in green energy credits—farewell EV tax credits and solar incentives. Like it or not, clean energy got benched.

Financial Impact at a Glance

For Your Clients:

- Middle-income earners can expect \$500 to \$1,500 in annual tax savings.
- GDP could grow by 1.2% long-term.

For Uncle Sam:

- Deficit projected to rise by \$3 trillion through 2034 (cue dramatic music)

Action Items for You & Your Clients

Here's where your clients will need guidance:

1. Long-Term Tax Planning: The permanence of these changes means you can help clients make proactive, multi-year plans—finally!
2. Invest While the Incentives Last: Full expensing = big opportunity for 2025. Get those equipment and facility plans rolling.



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3. Revisit Payroll Strategies: Tips and overtime now carry new tax advantages—this could reshape bonus and wage conversations.
4. Update Estate Plans: With the higher exemption, many clients may need to revisit (or finally make) their estate plan.
5. Stay Alert: The IRS still needs to interpret and implement parts of this bill. You'll want to stay on top of guidance, especially for gray areas.

The "One Big Beautiful Bill Act" is more than just political theater—it's the biggest shift in tax law since TCJA, with real implications for business owners, their families, and their financial plans. Help your clients ride the wave—strategically, confidently, and with fewer April surprises.

Need help untangling this new tax yarn ball? Let's talk strategy.

